



Aerospace Components Manufacturers Making Progress

The companies that comprise Connecticut's Aerospace Components Manufacturers cluster are working together to make Connecticut the world leader in the manufacture of precision components for the aerospace industry.

ACM was the second cluster to formally organize in the state. It was founded by six manufacturing companies in

July 1999 with a DECD investment of \$125,000, leveraged with over \$500,000 of industry support. Today, ACM has grown to 20 members and has already taken major steps toward making Connecticut's aerospace industry more competitive in the global marketplace.

Here are highlights of accomplishments in ACM's four main areas of focus:

- **Lean Manufacturing** – Working with CONN/STEP's "lean team," the cluster has sponsored more than 50 lean manufacturing events at member companies and plans another 120 over the course of this year.
- **Workforce Development** – To enhance employees' skills and stay up-to-date with new technology, the cluster offers classes at member companies' sites that are open to all members' employees. To date, more than 220 employees have been trained, and an additional 225 will attend classes between now and the end of June.
- **Consolidated Purchasing** – The cluster has negotiated purchasing agreements for machining inserts and round tools, as well as gage calibration services and abrasives tooling. These agreements enable member companies to obtain discounted prices, reduce inventory and take advantage of rebates that reduce procurement costs.
- **Special Projects/Marketing** – ACM has produced a brochure and PowerPoint presentation to enhance its marketing efforts and has made initial contact with two major overseas engine manufacturers. Its Web site (www.aerospacecomponents.org) will be live later this month.

Doug Rose, president of Windsor-based Aero Gear Inc., is president of ACM. He says the ACM experience illustrates the effectiveness of clusters. "The synergy that's developed among member companies is remarkable. Each company has its own strength, and we're all being elevated by interaction with one another."

Tax Credit Exchange in Effect

For biotech and other high-tech, high-growth businesses, Jan. 1, 2000, was an important date. That's the day Connecticut's R&D tax credit exchange law became effective.

The law was recommended by cluster business leaders and enacted by the 1999 General Assembly. It builds on a 1998 law making R&D tax credits available to smaller companies and increasing the carry-forward period to 15 years.

The new law makes Connecticut more attractive to companies that typically invest in research and development for several years before becoming profitable. It allows a company that earns tax credits – but doesn't yet owe taxes – to trade them in to the state for 65 percent of their value. A company with \$100,000 in tax credits, for example, would receive \$65,000 in cash – cash they can then put back into R&D.

"Making capital available to growing companies when they need it most is a smart step toward a more competitive Connecticut," said Harry H. Penner, president and CEO of Neurogen Corporation and co-chair of CURE, Connecticut's BioScience Cluster.

"Lean Team" Helps Small Companies Compete

In the past eight months, 37 small Connecticut manufacturers have dramatically reduced lead time and inventory while making significant gains in productivity and quality. How did they do it? By implementing lean manufacturing practices with help from the "lean team" of CONN/STEP, Connecticut's Manufacturing Resource Center.

Lean manufacturing is a systematic approach that reduces inventory, cuts turnaround times and improves quality by eliminating non-value-added operations.

The Manufacturing Resource Center grew out of recommendations by the Manufacturing Cluster Advisory Board. It was created to give small Connecticut companies access to the resources needed to adopt the lean practices critical to competing in the global economy.

CONN/STEP's lean-team specialists teach companies how to begin implementing lean practices, and they support subsequent continuous-improvement efforts. They offer seminars and workshops at locations across the state, conduct company assessments, identify lean projects within companies, offer financial incentives, contract with world-class consultants, provide training and more.

The results are impressive. One lean team client, Delta Industries of East Granby, achieved a 67 percent

improvement in throughput/lead time and a 100 percent improvement in on-time performance as a result of one lean project.

You can learn more about the lean team by contacting CONN/STEP at 860-507-5620 or visiting www.connstep.org.

You Belong Campaign Wins Two Awards

The Connecticut Chapter of the American Marketing Association (AMA) and the Connecticut Valley Chapter of the Public Relations Society of America (PRSA) have both recognized the *You Belong in Connecticut* campaign with awards.

The AMA bestowed a Mark of Excellence Award in its Guerrilla Marketing category, while PRSA awarded a Silver Mercury Award in the category of Public Affairs/Community Relations by/for Non-Profit Organizations.

Organizations of all sizes in Connecticut and Western Massachusetts compete in these two award programs. The Guerrilla Marketing category honors campaigns that create a big impact with a small budget.

The *You Belong in Connecticut* campaign, with a budget of only \$775,000, managed to capture the attention of high school students, college students and young professionals statewide, generating awareness levels around the 50 percent mark. These remarkable numbers would have been impossible without the cooperation and generosity of colleges, businesses and media outlets that donated time and space to help promote the campaign.

The campaign was a collaborative effort of the Industry Cluster Marketing Advisory Committee, Department of Economic and Community Development, CRN International and Connecticut Economic Resource Center.

Campaign representatives will receive the AMA award on March 14 and the PRSA award on March 23.

Phase II of *You Belong in Connecticut* Targets Employers in the State

Companies already doing business in the state are the focus of the newest phase of the award-winning *You Belong in Connecticut* marketing campaign, which will launch in late March.

The key message? Connecticut is taking bold, proactive steps to make the state more competitive and more attractive to business.

The campaign will include radio spots profiling successful Connecticut companies, an awards program recognizing people and organizations that promote Connecticut, business-oriented content on the Web site (www.YouBelongInCT.com), public relations efforts, and educational outreach to public and private organizations with business connections.

Fairfield County-based Cablevision has already donated \$100,000 of airtime for a television commercial. CERC welcomes any suggestions you may have for enlisting business support for this worthwhile effort.

Contact

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